

**THE STATE OF NEW HAMPSHIRE**  
**PUBLIC UTILITIES COMMISSION**

**DE 06-134**

**ORDER OF NOTICE**

On September 25, 2006, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) a Petition for Adjustment of Stranded Cost Recovery Charge (SCRC). In support of its Petition, PSNH filed the testimony of Robert A. Baumann along with related exhibits and attachments.

The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH Restructuring in Docket No. DE 99-099 (Restructuring Agreement). In support of its Petition, PSNH states the Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts (Part 1, Part 2 and Part 3). The SCRC, which recovers costs for all three parts, was originally capped in the Restructuring Agreement at an overall average rate of 3.40 cents per kilowatt-hour (kWh). According to PSNH, it fully recovered its Part 3 Stranded Costs as of June 30, 2006. Once Part 3 Stranded Costs are fully collected, PSNH states that the Restructuring Agreement provides that the SCRC will be set on a forecasted basis every six months and will include any over- or under- recovery of Part 1 and Part 2 stranded costs from the previous period. Pursuant to Order No. 24,641 (June 30, 2006), PSNH is currently billing an average SCRC rate of 1.55 cents per kWh for the six-month period July 1, 2006 through December 31, 2006. By its Petition, PSNH is seeking to adjust the SCRC rate to be charged to customers beginning January 1, 2007.

PSNH indicates that it is not proposing a specific SCRC rate at this time, but will update the SCRC rate prior to the hearing on its Petition. PSNH states that the update will be consistent with market price assumptions embedded in the Energy Service (ES) update and will be filed at the same time as the 2007 ES rate update in Docket No. DE 06-125.

According to PSNH's filing, it projects that it will under-recover its SCRC costs by \$4,138,000 as of December 31, 2006. While not proposing a specific SCRC rate, at the time of filing PSNH estimates the SCRC rate for the period beginning January 1, 2007 to be 0.99 cents per kWh which is 0.56 cents less than the current SCRC rate. PSNH calculated this estimate by including, among other things, the estimated underrecovered SCRC costs and based on the assumption that rate orders with two wood-fired Independent Power Producers (IPPs), Bridgewater and Pinetree-Tamworth, will end on December 31, 2006 and August 31, 2007, respectively. However, PSNH recognizes that the duration of these Rate Orders is a matter in dispute before the Commission in Docket No. DE 05-153, and if the Commission finds that the IPP Rate Orders expire at a later date, PSNH estimates that the SCRC charge would increase by approximately 0.19 cents to 1.18 cents per kWh as compared to its current estimate of 0.99 cents per kWh..

The filing raises, inter alia, issues related to the whether PSNH's assumptions and estimates of costs and revenues are reasonable, and whether the resulting rates are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent them at their own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New

Hampshire on October 5, 2006 at 3:00 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15(c) shall be considered; and it is

**FURTHER ORDERED**, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 3, 2006, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 5, 2006; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before October 3, 2006, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before October 5, 2006.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of September, 2006.

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Debra A. Howland  
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.